

## **Summary of Permitting Obligations for Oil & Gas Facilities – December 5, 2005 (updated December 14, 2005)**

All Oil & Gas (O&G) facilities with the Potential to emit (PTE) > 25 tons per year (TPY), which construction commenced or were installed after **November 23, 1968**, need to have a valid Montana Air Quality Permit (MAQP) from the Montana Department of Environmental Quality (Department) *except for any facility located within the boundary of a Federal Indian Reservation*. Facilities constructed, installed, or modified after **March 16, 1979**, need to include a Best Available Control Technology (BACT) analysis in their MAQP application. If modified, only the specific emitting unit that was modified becomes subject to BACT.

Senate Bill 95 (SB95) and the rule associated with SB95 apply to O&G well facilities that were completed or modified after March 16, 1979 and have the PTE > 25 TPY of any airborne pollutant that is regulated by the Administrative Rules of Montana (ARM) Title 17 Chapter 8. MAQP APPLICATIONS FOR THESE FACILITIES MUST BE SUBMITTED BY JANUARY 3, 2006 and must include a BACT analysis. Facilities which were constructed or modified between November 23, 1968 and March 16, 1979 must also submit an MAQP application but BACT is not required (ARM 17.8.748 and 17.8.752).

Since many companies will be submitting applications for numerous facilities, the Department has reviewed the application requirements and has developed the following recommendations to streamline the process:

- **Two (2)** hardcopies of each MAQP application must be submitted for each facility.
- **Applicants are not required to submit the information in the same format as the Department's application forms** (except for the Section 9 Certification form – *see below table*). However, applicants are required to include all relevant information from the forms as required under ARM 17.8.748, in a usable format. Table 1 provides recommendations on how to meet the ARM regulatory requirements.
- A facility's PTE must be less than 100 TPY or there will be additional permitting requirements.

**TABLE 1: SUGGESTIONS TO MEET REGULATORY OBLIGATIONS for O&G APPLICATIONS**

<b>ARM Citation</b>	<b>ARM Regulatory Requirement</b>	<b>Department's Suggestions</b>
17.8.748 (3)	Responsible Official (RO) Certification	Submit an RO certification with every application, in one of the following ways: <ul style="list-style-type: none"><li>• RO signs certification on every application by hand or electronically; or</li><li>• RO signs a "Master" Certification for their company, listing every facility that is included in the certification. A copy must be included in each application.</li></ul>
17.8.748(4)(a)	Map – location of facility  Diagram – location of stack, property, and buildings	Submit a state-wide map of the company's O&G system, identifying the location of each facility. One oversized map may be submitted, as long as it is referenced in all applications. In addition, each application must include the legal description of the facility (Section/ Township/ Range/ County).  A facility schematic is required, but may be combined with the process flow diagram. UTM or lat/long reference points should be included.
17.8.748(4)(g)	Process Flow Diagrams	A basic process flow diagram is required for each facility. If possible, it can be incorporated into the facility diagram.
17.8.748(4)(e)	Operating Schedules	An operating schedule is required.

17.8.748(4)(b)	*Facility description – production capacity & major equipment	This information is required. The Department recommends that each application include a narrative overview describing the production equipment, as well as a table that includes all production equipment (emitting units). The table would include production equipment such as tanks, truck loading, heater treaters, and compressor engines. Equipment with negligible amounts of emissions such as wellheads and fugitive leaks (valves, flanges, etc) should be listed in the table but no further information is necessary.*
17.8.748(4)(c)	*Control Equipment description	This information is required. The Department recommends that each application include a brief description of the control equipment, as well as a table that includes all control equipment associated with the production equipment (emitting units). The control equipment description can be combined with the BACT discussion (see BACT, below).*
17.8.748(4)(d)	*Air Contaminants/ Emissions	This information is required. The Department recommends listing the hourly & annual potential emissions of all emitting units in a table format, in conjunction with the list of production equipment and their controls. Only controls that are proposed to be made federally enforceable may be used to limit the potential emissions. Equipment with negligible emissions, such as wellheads and fugitive leaks, can be listed with emissions indicated as “negligible” rather than quantified.*
17.8.748(4)(f)	Control Equipment Drawings/ Specs	The Department recommends compiling a basic overview of any control equipment.
17.8.752	BACT – for facilities constructed or modified after March 16, 1979.	BACT is required for any facility constructed or modified after March 16, 1979. If the company is dismissing any control options due to cost, they will need to provide a cost analysis to complete the BACT analysis for the chosen control option.
17.8.748(4)(h)	Schedule of Construction/ Modification	The date of construction or modification is required for each facility.
17.8.748(4)(k)	MEPA Review	The information requested in the “Project and Site Informational Request” section of the Department’s application forms must be contained in each application, but do not need to be in the same format.
17.8.748(4)(l)	Fee - \$500 per facility (application)	The Department would prefer that each company submit one combined check for all application submittals (\$500 x # of applications). A list identifying all the covered facilities must accompany the check.
17.8.748(7)	Public notification	An affidavit of publication is required for each facility. The Department recommends that the applicant consolidate all their regional facilities into one notice. The legal publication must be in a newspaper of general circulation in the area affected by the facilities. At least one original copy of the affidavit along with a list identifying all the covered facilities must be submitted to the Department. A copy must be submitted for each application.
17.8.749(3)	Dispersion Modeling (Demonstration of Compliance with Ambient Air Quality Standards)	Dispersion modeling is required for sources with emissions > 50 TPY PM <sub>10</sub> or SO <sub>2</sub> , or >100 TPY NO <sub>x</sub> or CO. In addition, sources located in the following counties (Gallatin, Park, Wheatland, Sweet Grass, Golden Valley, Musselshell, Stillwater, Carbon, Yellowstone, Big Horn, Treasure, Crow, Northern Cheyenne, Custer, Powder River, Rosebud and Carter) must include information for future modeling efforts, including UTM location and stack parameters (height, diameter, temperature and flow rate). This information is currently required as part of the Facility description requirements for production equipment (emitting units).

\* The Department suggests that one table could be established that lists the necessary information from the required Production Equipment description, Control Equipment description, and Air Contaminants/Emissions sections of the above requirements.